GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1877
ANSWERED ON:26.07.2002
ECONOMIC REFORMS
BHUPENDRASINH PRABHATSINH SOLANKI

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to take stringent steps for promoting and implementing economic reforms in the country;

(b) If so, whether the Government propose to allocate some funds to the States for this purpose;

(c) If so, the amount of assistance alongwith the time by which it is likely to be allocated; and

(d) If not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a)to(d): The Union Government have allocated funds for policyreforms and for fiscal reforms in States. An amount of Rs. 2500 crores has been provided under the Development Reforms Facility for policy reforms in sectorswhich are constraining growth and development in States. An amount of Rs.500 crores has also been earmarked for initiating reforms in the Urban Sector by States.The Government of India have created the States' Fiscal Reforms Facility with an Incentive Fund of Rs. 10607.72 crores foincentivising States towards fiscal consolidation. Under this facility, States are expected to draw up their Medium Term Fiscal Reforms Programme which address, inter-alia, issues of fiscal consolidation, power sector reforms and fiscal transparency . Performing States are eligible for grants from the Incentive Fund.